

Module 9: Medicare and TRICARE

Module Objectives

After this module, you should be able to:

- State what TRICARE for Life (TFL) is and who is eligible for it
- Explain how TRICARE and Medicare payments work
- Recall how beneficiaries enroll in Medicare Part B
- Explain the interaction between TFL and Other Health Insurance (OHI)

TRICARE for Life (TFL)

- TRICARE For Life (TFL) is TRICARE's Medicare wraparound coverage available to all Medicare-eligible TRICARE beneficiaries, regardless of age, provided they have Medicare Parts A and B
- Under TFL, TRICARE is second payer to Medicare for services covered by Medicare and TRICARE, meaning TRICARE pays most of the costs not covered by Medicare, eliminating many out-of-pocket expenses (cost shares and deductibles)
- When using TFL, beneficiaries do not pay any enrollment fees, but must pay Medicare Part B monthly premiums to remain TRICARE eligible
 - Part B premiums are based on an individual's annual income and can adjust on a yearly basis



Medicare Basics

- Medicare is a federal health insurance program for the following:
 - People age 65 or older
 - People under age 65 with certain disabilities
 - People (of any age) with end-stage renal disease (ESRD) or amyotrophic lateral sclerosis (commonly known as Lou Gehrig's disease)
- There are four individual programs that comprise the Medicare Program:

Medicare Part A Hospital Insurance	Medicare Part B Medical Insurance	Medicare Part C Medicare Advantage Plan	Medicare Part D Prescription Drug Coverage
<ul style="list-style-type: none">• Inpatient hospital care• Some skilled nursing care• Home health care• Hospice care	<ul style="list-style-type: none">• Doctors' services and outpatient care• Preventive services• Diagnostic tests• Some therapies• Durable medical equipment	<ul style="list-style-type: none">• Combines Part A, Part B, and sometimes Part D• Coverage managed by private Medicare-approved insurance companies	<ul style="list-style-type: none">• Outpatient prescription drug coverage only

Medicare Part B

- Under Federal law, TRICARE beneficiaries entitled to Medicare must enroll and pay the monthly Medicare Part B premium to remain TRICARE eligible
 - **If beneficiaries do not enroll, disenroll, or stop paying their monthly premium for Part B, they lose their TRICARE benefits, and claims will be denied**
- There are two exceptions to this “Part B” rule:
 - Medicare-entitled active duty service members (ADSMs) are not required to purchase Part B until they retire from active duty but should do so anyway to avoid the Medicare premium surcharge for late enrollment when they come off active duty
 - Medicare-entitled active duty family members (ADFM) are not required to purchase Part B until their active duty sponsor retires

Medicare Part B Enrollment Periods

- There are three enrollment periods for Medicare Part B:
 - **Initial Enrollment Period:** Seven month period that begins three months before the month the beneficiary is first eligible for Medicare Part B
 - If a beneficiary receives Social Security benefits, enrollment in Medicare Part B starts automatically the first day of the month they turn age 65; TFL benefits start with the Medicare Part B effective date
 - If the beneficiary is under age 65 and disabled, they automatically get Part B 24 months after getting disability benefits from Social Security; TFL benefits start on the Medicare Part B effective date
 - **Special Enrollment Period:** For individuals who delay enrolling in Medicare Part B because they have group health plan coverage based on their or their spouse's current employment
 - **General Enrollment Period:** January 1 - March 31 of each year
Coverage begins July 1 of that same year
 - Beneficiaries who enroll during the General Enrollment Period may face a 10% Medicare premium surcharge for late enrollment for each 12-month period that the beneficiary was eligible to enroll in Part B, but did not

How TRICARE Works with Medicare

- Medicare will pay its portion of Medicare-covered services; Medicare will forward the claim to TRICARE for processing
- If a beneficiary has other health insurance (OHI), their claim will not automatically forward to TRICARE; the beneficiary will need to file with TRICARE after the OHI and Medicare have processed the claim

Coordination of Medicare, TRICARE, & OHI

The following chart details who makes payment for medical services when the beneficiary has Medicare, TRICARE, and OHI:

	Services covered by Medicare, TRICARE, and OHI	Services covered by Medicare and OHI but not by TRICARE	Services covered by TRICARE and OHI but not by Medicare	Services covered by OHI but not by Medicare or TRICARE
Medicare	Pays first	Pays first and beneficiary pays for any cost share or deductibles	Does not pay	Does not pay
Other Health Insurance (OHI)*	Pays second	Pays second and beneficiary pays for any cost shares or deductibles	Pays first	Pays and beneficiary is responsible for any cost shares or deductibles
TRICARE	Pays last, normally paying the actual out of pocket costs incurred by the beneficiary	Does not pay	Pays second and beneficiary is responsible for cost shares and deductibles	Does not pay

***NOTE:** Table assumes that beneficiary's OHI is a retiree policy/not based on current employment.



You've Completed Module 9: TRICARE For Life

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- Recall how beneficiaries enroll in Medicare Part B
- Explain the interaction between TFL and Other Health Insurance (OHI)